

Welcome to the 2013 Employer Seminar



Everybody Owns Integrity

- The United States Department of Labor (USDOL) has launched a nationwide campaign dedicated to the prevention and detection of unemployment insurance fraud.
- State of Michigan to launch its own campaign.
- Fiscal Integrity Group - a Division created by Director Arwood responsible for implementing the ***Everybody Owns Integrity Initiative***.



UI Fraud Costs Everyone

It is a crime and it affects everyone

- Drives up unemployment taxes for businesses
- Affects people with legitimate jobless claims
- Puts a strain on the state's unemployment trust fund
- Puts the person committing the fraud in a situation where they may face criminal prosecution, fines and penalties



Today we are going to discuss:

- Types of fraud
- Steps the UIA is taking to prevent and detect fraudulent activity
- Steps the employer community may take to prevent and detect fraudulent activity



Types of Fraud

- **Claimant**

- Working full time while collecting benefits and not reporting hours of work and earnings to MARVIN
- Supplying intentionally misleading information or failing to disclose information such as vacation/holiday pay, severance pay, or other pay after job separation
- Providing false information about work search efforts
- Failing to report being unable and unavailable to work (ill or injured, on vacation) while continuing to collect UI benefits
- Using another person's identity (name or social security number) to work and/or file a UI claim
- Failing to report refusals of work
- Providing false information about reason for separation



Types of Fraud

- **Employer**
 - Providing false information to prevent an otherwise eligible claimant from obtaining benefits
 - Paying employees “under the table” to avoid paying taxes
 - Incorrectly reporting wages
 - Intentionally misclassifying employees as independent contractors
 - Colluding with employees in order to obtain benefits
 - Misrepresentation or failure to disclose family ownership



Steps the UIA has taken to prevent and detect fraudulent activity

- Launched the Everybody Owns Integrity Campaign
- Created the Fraud Initiative Taskforce
- Implemented the procedure to crossmatch with the National Database for New Hires www.mi-newhire.com
- Implemented the procedure to crossmatch Wage/Benefit information



Additional steps the UIA is taking to prevent and detect fraudulent activity

- Conducting a Base Period Wage Verification
- Conducting a Deceased Claimant Crossmatch
- Conducting a Michigan Department of Corrections Crossmatch
- Working on a Claimant Messaging Initiative
- Conducting investigations and preparing reports of findings
- Submitting these findings (*when appropriate*) to the Office of the Attorney General to seek prosecution
- Assessing penalties and interest
- Collecting restitution



Steps the Employers may take to prevent and detect fraudulent activity

- Thoroughly review the (Form 1136) Statement of Unemployment Benefits Charged or Credited to Employer's Account **upon receiving** it and **notify the UIA immediately** of discrepancies.
- Thoroughly review the (Form 1770) Summary of Statement of Benefit Charges and Credits **upon receiving** it and **notify the UIA immediately** of any discrepancies.
- Accurately and timely complete all information on the revised Quarterly Tax Report – Form 1028 (*previously Form 1020*) and the Wage Detail Report (*previously Form 1017*)
- At the time of hire, verify that your employees' names & Social Security Numbers (SSNs) match the Social Security Administration's (SSA) records.



Steps the Employers may take to prevent and detect fraudulent activity (cont.)

- Perform online verifications
 - Verify up to 10 names and SSNs online and receive immediate results
 - Verify large volume through batch
 - Visit www.ssa.gov/employer/ssnv.htm
- Additional Verification Options
 - Submitting on paper or over the phone by calling 1-800-772-6270
 - Participating in the E-Verify Program at www.dhs.gov/e-Verify
 - Contacting U.S. Citizenship & Immigration Services (USCIS) at 1-888-464-4218
- Keep Accurate Employment Records
- Destroy Inactive Payroll Records Properly
- Protect Your Employees by using an alternate employee number rather than a social security number to identify them



Steps the Employers may take to prevent and detect fraudulent activity (cont.)

- If you think someone is committing unemployment benefit or payroll tax fraud, please report it immediately. All allegations are taken seriously. Please include as much information as you can such as:
- Who is committing fraud?
- What is their address and phone number?
- What type of fraud (against employees or employer?)
- What are they doing that you believe constitutes fraud?
- When did the fraud occur and is it still happening?
- Visit Michigan.gov/UIA to complete the 2-minute Fraud Reporting Form
- Call our fraud hotline at **1-855-UI-CRIME (842-7463)**



EVERYBODY OWNS INTEGRITY

TOGETHER WE CAN COMBAT
UNEMPLOYMENT INSURANCE FRAUD

THANK YOU FOR JOINING US TODAY!

